

# State of Nevada

## Department of Business & Industry

### Real Estate Division

#### Common-Interest Communities and Condominium Hotels Program





# FAST Reference

Regarding

## **NRS116 Article 3** *MANAGEMENT OF COMMON-INTEREST COMMUNITIES*

Powers of the Unit Owners Association  
and the Executive Board



# Disclaimer

- ▶ This presentation provides a shorten version of the statutes within NRS116.
- ▶ For the full statute refer to the listed statute number provided in the slide

# MANAGEMENT OF COMMON-INTEREST COMMUNITIES

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# **Powers of Unit-owners' Association**

# NRS 116.3102 Powers of unit-owners' association; limitations.

- ▶ Shall adopt and, except as otherwise provided in the bylaws, may amend bylaws and may adopt and amend rules and regulations
- ▶ Shall adopt and may amend budgets
- ▶ May collect assessments for common expenses from the units' owners
- ▶ May hire and discharge managing agents and other employees, agents and independent contractors.
- ▶ May institute, defend or intervene in litigation or in arbitration, mediation or administrative proceedings in its own name on behalf of itself or two or more units' owners on matters affecting the common-interest community.

# NRS 116.3102 Powers of unit-owners' association; limitations.

- ▶ May make contracts and incur liabilities.
- ▶ May regulate the use, maintenance, repair, replacement and modification of common elements.
- ▶ May cause additional improvements to be made as a part of the common elements
- ▶ May acquire, hold, encumber and convey in its own name any right, title or interest to real estate or personal property

# NRS 116.3102 Powers of unit-owners' association; limitations.

- May grant easements, leases, licenses and concessions through or over the common elements.
- May impose and receive any payments, fees or charges for the use, rental or operation of the common elements,
- May impose charges for late payment of assessments
- May impose construction penalties when authorized pursuant to [NRS 116.310305](#).
- May impose reasonable fines for violations of the governing documents of the association
- May impose reasonable charges for the preparation and recordation of any amendments to the declaration or any statements of unpaid assessments, and impose reasonable fees

# NRS 116.3102 Powers of unit-owners' association; limitations.

- ▶ May provide for the indemnification of its officers and executive board and maintain directors and officers liability insurance.
- ▶ May assign its right to future income, including the right to receive assessments for common expenses, but only to the extent the declaration expressly so provides.
- May exercise any other powers conferred by the declaration or bylaws.
- ▶ May exercise all other powers that may be exercised in this State by legal entities of the same type as the association.
- ▶ May exercise any other powers necessary and proper for the governance and operation of the association.
- ▶ The executive board shall adopt budgets

# NRS 116.3102 Powers of unit-owners' association; limitations.

In addition to complying with the requirements of [NRS 487.038](#) and any requirements in the governing documents, if a vehicle is improperly parked as described in this paragraph, the association must post written notice in a conspicuous place on the vehicle or provide oral or written notice to the owner or operator of the vehicle at least 48 hours before the association may direct the removal of the vehicle, **unless** the vehicle:

- (1) Is blocking a fire hydrant, fire lane or parking space **designated** for the handicapped; or
- (2) Poses an **imminent threat** of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community.

# NRS 116.3102 Powers of unit-owners' association– Whether to enforce

The executive board may determine whether to take enforcement action by exercising the association's power to impose sanctions or commence an action for a violation of the declaration, bylaws or rules, including whether to compromise any claim for unpaid assessments or other claim made by or against it. The executive board does not have a duty to take enforcement action if it determines that, under the facts and circumstances presented:

- (a) The association's legal position does not justify taking any or further enforcement action;
- (b) The covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with current law;
- (c) Although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person or to justify expending the association's resources; or
- (d) It is not in the association's best interests to pursue an enforcement action.



# Executive board's decision

The executive board's decision under subsection 3 not to pursue enforcement under one set of circumstances does not prevent the executive board from taking enforcement action under another set of circumstances, but the executive board may not be arbitrary or capricious in taking enforcement action.

# **Powers of Executive Board to act on behalf of the Association**

## NRS 116.3103 Power of executive board to act on behalf of association

- ▶ The executive board acts on behalf of the association.
- ▶ In the performance of their duties, the officers and members of the executive board are fiduciaries
- ▶ Shall act on an informed basis, in good faith and in the honest belief that their actions are in the best interest of the association

NRS 116.3103 Power of executive board to act on behalf of association

## Officers and members of the executive board:

- ▶ (a) Are required to exercise the ordinary and reasonable care of officers and directors of a nonprofit corporation, subject to the business-judgment rule
- ▶ Are subject to conflict of interest rules governing the officers and directors of a nonprofit corporation

NRS 116.3103 Power of executive board to act on behalf of association; limitations on power.

## Officers and members of the executive board:

The executive board may not act to:

- (a) Amend the declaration.
- (b) Terminate the common-interest community.
- (c) Determine the qualifications, powers, duties or terms of office of members of the executive board.

## NRS 116.3103 Power of executive board to act on behalf of association– Filling Vacancies

- ▶ Elect members of the executive board, but unless the governing documents provide that a vacancy on the executive board must be filled by a vote of the membership of the association, the executive board may fill vacancies in its membership for the unexpired portion of any term or until the next regularly scheduled election of executive board members, whichever is earlier. Any executive board member elected to a previously vacant position which was temporarily filled by board appointment may only be elected to fulfill the remainder of the unexpired portion of the term.
- ▶ (d) Determine the qualifications, powers, duties or terms of office of members of the executive board.

**Power of executive board to  
impose construction penalties for  
failure of unit's owner to adhere to  
certain schedules relating to  
design, construction, occupancy or  
use of unit or improvement**



NRS 116.310305 Power of executive board to impose construction penalties for failure of unit's owner to adhere to certain schedules relating to design, construction, occupancy or use of unit or improvement ■

1. A unit's owner shall adhere to a schedule required by the association for:

(a) The completion of the design of a unit or the design of an improvement to a unit;

(b) The commencement of the construction of a unit or the construction of an improvement to a unit;

(c) The completion of the construction of a unit or the construction of an improvement to the unit; or

(d) The issuance of a permit which is necessary for the occupancy of a unit or for the use of an improvement to a unit.

use of unit or improvement ■

The association may impose and enforce a construction penalty against a unit's owner who fails to adhere to a schedule as required pursuant to subsection 1 if:

(a) The right to assess and collect a construction penalty is set forth in:

(1) The declaration;

(2) Another document related to the common-interest community that is recorded before the date on which the unit's owner acquired title to the unit; or

A contract between the unit's owner and the association;

(b) The association has included notice of the maximum amount of the construction penalty and schedule as part of any public offering statement or resale package; and

(c) The unit's owner receives notice of the alleged violation which informs the unit's owner that he or she has a right to a hearing on the alleged violation.

NRS 116.310305 Power of executive board to impose construction penalties for failure of unit's owner to adhere to certain schedules relating to design, construction, occupancy or use of unit or improvement

A construction penalty is not a fine.

**Power of executive board to  
impose fines and other sanctions  
for violations of governing  
documents;**

## NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents

If a unit's owner or a tenant or an invitee of a unit's owner or a tenant violates any provision of the governing documents of an association, the executive board may, if the governing documents so provide:

(a) **Prohibit**, for a reasonable time, the unit's owner or the tenant or the invitee of the unit's owner or the tenant from:

- (1) **Voting** on matters related to the common-interest community.
- (2) Using the **common elements**.

\* Note—The provisions of this subparagraph do not prohibit the unit's owner or the tenant or the invitee of the unit's owner or the tenant from using any vehicular or pedestrian ingress or egress to go to or from the unit, including any area used for parking.

(b) Impose a fine against the unit's owner or the tenant or the invitee of the unit's owner or the tenant for each violation, except that:

- (1) A fine may not be imposed for a violation that is the subject of a construction penalty pursuant to [NRS 116.310305](#); and
- (2) A fine may not be imposed against a unit's owner or a tenant or invitee of a unit's owner or a tenant for a violation of the governing documents which involves a vehicle and which is committed by a person who is delivering goods to, or performing services for, the unit's owner or tenant or invitee of the unit's owner or the tenant.

## NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents

If a unit's owner or a tenant or an invitee of a unit's owner or a tenant violates any provision of the governing documents of an association, the executive board may, if the governing documents so provide:

Impose a fine against the unit's owner or the tenant or the invitee of the unit's owner or the tenant for each violation, except that:

(1) A fine may not be imposed for a violation that is the subject of a construction penalty; and

(2) A fine may not be imposed against a unit's owner or a tenant or invitee of a unit's owner or a tenant for a violation of the governing documents which involves a vehicle and which is committed by a person who is delivering goods to, or performing services for, the unit's owner or tenant or invitee of the unit's owner or the tenant.

## NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents

- ▶ If the violation poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community, the amount of the fine must be commensurate with the severity of the violation and must be determined by the executive board in accordance with the **governing documents**.
- ▶ If the violation does not pose an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community, the amount of the fine must be commensurate with the severity of the violation and must be determined by the executive board in accordance with the governing documents, **but** the amount of the fine **must not** exceed \$100 for each violation or a total amount of \$1,000, whichever is less.
- ▶ The limitations on the amount of the fine do not apply to any charges or costs that may be collected by the association pursuant to this section if the fine becomes past due.



NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents

The executive board may not impose a fine against a unit's owner for a violation of any provision of the governing documents of an association committed by an invitee of the unit's owner or the **tenant** unless the unit's owner:

- (a) Participated in or authorized the violation;
- (b) Had prior notice of the violation; or
- (c) Had an opportunity to stop the violation and failed to do so.

NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents–Adopts a policy–schedule of fines

If the association adopts a policy imposing fines for any violations of the governing documents of the association, the secretary or other officer specified in the bylaws shall prepare and cause to be hand-delivered or sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit's owner, a schedule of the fines that may be imposed for those violations.

## NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents– Written notice

The executive board may not impose a fine pursuant to subsection 1 unless:

(a) Not less than 30 days before the violation, the unit's owner and, if different, the person against whom the fine will be imposed had been provided with written notice of the applicable provisions of the governing documents that form the basis of the violation; and

(b) Within a reasonable time after the discovery of the violation, the unit's owner and, if different, the person against whom the fine will be imposed has been provided with:

(1) Written notice specifying the details of the violation, the amount of the fine, and the date, time and location for a hearing on the violation; and

(2) A reasonable opportunity to contest the violation at the hearing.

## NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents– Scheduling hearing

The executive board must schedule the date, time and location for the hearing on the violation so that the unit's owner and, if different, the person against whom the fine will be imposed is provided with a reasonable opportunity to prepare for the hearing and to be present at the hearing.

## NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents– Scheduling hearing

The executive board **must** hold a hearing before it may impose the fine, unless the fine is paid before the hearing or unless the unit's owner and, if different, the person against whom the fine will be imposed:

(a) Executes a written waiver of the right to the hearing; or

(b) Fails to appear at the hearing after being provided with proper notice of the hearing.

## NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents– Additional fine

If a fine is imposed and the violation is not cured within 14 days, or within any longer period that may be established by the executive board, the violation shall be deemed a continuing violation.

Thereafter, the executive board may impose an additional fine for the violation for each 7-day period or portion thereof that the violation is not cured.

\*\*\*Any additional fine may be imposed without notice and an opportunity to be heard.

## NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents– Appoint a committee

If the governing documents so provide, the executive board **may** appoint a committee, with not less than three members, to conduct hearings on violations and to impose fines pursuant to this section.

While acting on behalf of the executive board for those limited purposes, the committee and its members are entitled to all privileges and immunities and are subject to all duties and requirements of the executive board and its members.



## NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents–Participation of vote

A member of the executive board shall not participate in any hearing or cast any vote relating to a fine;

if the member has not paid all assessments which are due to the association by the member.

If a member of the executive board:

(a) Participates in a hearing in violation of this subsection, any action taken at the hearing is void.

(b) Casts a vote in violation of this subsection, the vote is void

# NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents

- ▶ This statute establishes the minimum procedural requirements that the executive board must follow before it may impose a fine.
- ▶ The provisions of this section do not preempt any provisions of the governing documents that provide greater procedural protections.

NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents–Past due fine

Any past due fine **must not** bear interest, but may include any costs incurred by the association during a civil action to enforce the payment of the past due fine.

## NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents–Remaining balance

If requested by a person upon whom a fine was imposed, not later than 60 days after receiving any payment of a fine, an association shall provide to the person upon whom the fine was imposed a statement of the remaining balance owed.

**Power of executive board to enter grounds of unit to conduct certain maintenance or remove or abate public nuisance; notice of security interest and hearing required; imposition of fines and costs; lien against unit; limitation on liability.**

# Exterior of the unit/Abate

“Exterior of the unit” includes, without limitation, all landscaping outside of a unit and the exterior of all property exclusively owned by the unit owner.

“Abate” –to put an end to

<http://dictionary.reference.com/browse/abate>

A person who holds a security interest in a unit must provide the association with the person's contact information as soon as reasonably practicable, but not later than 30 days after the person:

- ▶ (a) Files an action for recovery of a debt or enforcement of any right secured by the unit pursuant to [NRS 40.430](#); or
- ▶ (b) Records or has recorded on his or her behalf a notice of a breach of obligation secured by the unit and the election to sell or have the unit sold pursuant to [NRS 107.080](#).

## NRS 116.310312 Power of executive board to enter grounds

If an action or notice has been filed or recorded regarding a unit and the association has provided the unit's owner with notice and an opportunity for a hearing, the association, including its employees, agents and community manager, may, but is not required to, enter the grounds of the unit, whether or not the unit is vacant, to take any of the following actions if the unit's owner refuses or fails to take any action or comply with any requirement imposed on the unit's owner within the time specified by the association as a result of the hearing:

(a) Maintain the exterior of the unit in accordance with the standards set forth in the governing documents, including, without limitation, any provisions governing maintenance, standing water or snow removal.

(b) Remove or abate a public nuisance on the exterior of the unit which:

- (1) Is visible from any common area of the community or public streets;
- (2) Threatens the health or safety of the residents of the common-interest community;
- (3) Results in blighting or deterioration of the unit or surrounding area; and
- (4) Adversely affects the use and enjoyment of nearby units.



## NRS 116.310312 Power of executive board to enter grounds of unit–Vacant

If a unit is vacant and the association has provided the unit's owner with notice and an opportunity for a hearing in the manner provided in [NRS 116.31031](#), the association, including its employees, agents and community manager, may enter the grounds of the unit to maintain the exterior of the unit or abate a public nuisance if the unit's owner refuses or fails to do so.

“Vacant” means a unit:

- (1) Which reasonably appears to be unoccupied;
- (2) On which the owner has failed to maintain the exterior to the standards set forth in the governing documents the association; and
- (3) On which the owner has failed to pay assessments for more than 60 days.

## NRS 116.310312 Power of executive board to enter grounds of unit–Cost

The association may order that the costs of any maintenance or abatement conducted, including, without limitation, reasonable inspection fees, notification and collection costs and interest, be charged against the unit.

The association shall keep a record of such costs and interest charged against the unit and has a lien on the unit for any unpaid amount of the charges.

The lien may be foreclosed under [NRS 116.31162](#) to [116.31168](#), inclusive. A lien bears interest from the date that the charges become due at a rate determined pursuant to [NRS 17.130](#) until the charges, including all interest due, are paid.

## NRS 116.310312 Power of executive board to enter grounds of unit-Trespass

An association, its directors or members of the executive board, employees, agents or community manager who enter the grounds of a unit pursuant to this section are not liable for trespass

# REFERENCE SLIDE

# NRS 487.038 To Tow

**NRS 487.038 Authority of owner or person in lawful possession of real property to have towed therefrom vehicle parked in unauthorized manner: Oral notice to local law enforcement agency required; exceptions to authority; residential real property; costs to be borne by owner of vehicle; other rights and remedies.**

1. Except as otherwise provided in subsections 3 and 4, the owner or person in lawful possession of any real property may, **after giving notice** pursuant to subsection 2, utilize **the services of any tow car operator** subject to the jurisdiction of the Nevada Transportation Authority to remove any vehicle parked in an unauthorized manner on that property to the nearest public garage or storage yard if:

(a) **A sign is displayed in plain view** on the property **declaring public parking to be prohibited or restricted** in a certain manner; and

(b) The **sign shows the telephone number of the police department** or sheriff's office.

2. **Oral notice** must be given to the **police department** or sheriff's office, whichever is appropriate, indicating:

(a) The **time the vehicle was removed**;

(b) The **location from** which the **vehicle was removed**; and

(c) The **location to** which the **vehicle was taken**.

3. **Any vehicle** which is **parked** in a space designated for **persons with disabilities** and is not properly marked for such parking may be removed **if notice is given to the police department** or sheriff's office pursuant to subsection 2, **whether or not a sign is displayed** pursuant to subsection 1.

4. The owner or person in lawful possession of residential real property upon which a single-family dwelling is located may, after giving notice pursuant to subsection 2, utilize the services of any tow car operator subject to the jurisdiction of the Nevada Transportation Authority to remove any vehicle parked in an unauthorized manner on that property to the nearest public garage or storage yard, whether or not a sign is displayed pursuant to subsection 1.

5. **All costs incurred** under the provisions of this section for towing and storage must be **borne by the owner** of the vehicle, as that term is defined in [NRS 484A.150](#).

6. The provisions of this section do not limit or affect any rights or remedies which the owner or person in lawful possession of real property may have by virtue of other provisions of the law authorizing the removal of a vehicle parked on that property.

NRS 40.430 Action for recovery of debt secured by mortgage or other lien; “action” defined.

1. Except in cases where a person proceeds under subsection 2 of [NRS 40.495](#) or subsection 1 of [NRS 40.512](#), and except as otherwise provided in [NRS 118C.220](#), there may be but one action for the recovery of any debt, or for the enforcement of any right secured by a mortgage or other lien upon real estate. That action must be in accordance with the provisions of [NRS 40.430](#) to [40.459](#), inclusive. In that action, the judgment must be rendered for the amount found due the plaintiff, and the court, by its decree or judgment, may direct a sale of the encumbered property, or such part thereof as is necessary, and apply the proceeds of the sale as provided in [NRS 40.462](#).

2. This section must be construed to permit a secured creditor to realize upon the collateral for a debt or other obligation agreed upon by the debtor and creditor when the debt or other obligation was incurred.

3. At any time not later than 5 business days before the date of sale directed by the court, if the deficiency resulting in the action for the recovery of the debt has arisen by failure to make a payment required by the mortgage or other lien, the deficiency may be made good by payment of the deficient sum and by payment of any costs, fees and expenses incident to making the deficiency good. If a deficiency is made good pursuant to this subsection, the sale may not occur.

## NRS 40.430 Action for recovery of debt secured by mortgage or other lien; “action” defined.

4. A sale directed by the court pursuant to subsection 1 must be conducted in the same manner as the sale of real property upon execution, by the sheriff of the county in which the encumbered land is situated, and if the encumbered land is situated in two or more counties, the court shall direct the sheriff of one of the counties to conduct the sale with like proceedings and effect as if the whole of the encumbered land were situated in that county.

5. Within 30 days after a sale of property is conducted pursuant to this section, the sheriff who conducted the sale shall record the sale of the property in the office of the county recorder of the county in which the property is located.

6. As used in this section, an “action” does not include any act or proceeding:

(a) To appoint a receiver for, or obtain possession of, any real or personal collateral for the debt or as provided in [NRS 32.015](#).

(b) To enforce a security interest in, or the assignment of, any rents, issues, profits or other income of any real or personal property.

(c) To enforce a mortgage or other lien upon any real or personal collateral located outside of the State which does not, except as required under the laws of that jurisdiction, result in a personal judgment against the debtor.

(d) For the recovery of damages arising from the commission of a tort, including a recovery under [NRS 40.750](#), or the recovery of any declaratory or equitable relief.

(e) For the exercise of a power of sale pursuant to [NRS 107.080](#).

(f) For the exercise of any right or remedy authorized by [chapter 104](#) of NRS or by the Uniform Commercial Code as enacted in any other state.

(g) For the exercise of any right to set off, or to enforce a pledge in, a deposit account pursuant to a written agreement or pledge.

(h) To draw under a letter of credit.

(i) To enforce an agreement with a surety or guarantor if enforcement of the mortgage or other lien has been automatically stayed pursuant to 11 U.S.C. § 362 or pursuant to an order of a federal bankruptcy court under any other provision of the United States Bankruptcy Code for not less than 120 days following the mailing of notice to the surety or guarantor pursuant to subsection 1 of [NRS 107.095](#).

(j) To collect any debt, or enforce any right, secured by a mortgage or other lien on real property if the property has been sold to a person other than the creditor to satisfy, in whole or in part, a debt or other right secured by a senior mortgage or other senior lien on the property.

(k) Relating to any proceeding in bankruptcy, including the filing of a proof of claim, seeking relief from an automatic stay and any other action to determine the amount or validity of a debt.

(l) For filing a claim pursuant to [chapter 147](#) of NRS or to enforce such a claim which has been disallowed.

(m) Which does not include the collection of the debt or realization of the collateral securing the debt.

(n) Pursuant to [NRS 40.507](#) or [40.508](#).

(o) Pursuant to an agreement entered into pursuant to [NRS 361.7311](#) between an owner of the property and the assignee of a tax lien against the property, or an action which is authorized by [NRS 361.733](#).

(p) Which is exempted from the provisions of this section by specific statute.

(q) To recover costs of suit, costs and expenses of sale, attorneys’ fees and other incidental relief in connection with any action authorized by this subsection.

# NRS 116.31031 Notice of Violation

## 4(a)

Not less than 30 days before the alleged violation, the unit's owner and, if different, the person against whom the fine will be imposed had been provided with written notice of the applicable provisions of the governing documents that form the basis of the alleged violation; and

(b) Within a reasonable time after the discovery of the alleged violation, the unit's owner and, if different, the person against whom the fine will be imposed has been provided with:

(1) Written notice:

(I) Specifying in detail the alleged violation, the proposed action to cure the alleged violation, the amount of the fine, and the date, time and location for a hearing on the alleged violation; and

(II) Providing a clear and detailed photograph of the alleged violation, if the alleged violation relates to the physical condition of the unit or the grounds of the unit or an act or a failure to act of which it is possible to obtain a photograph; and

(2) A reasonable opportunity to cure the alleged violation or to contest the alleged violation at the hearing.



**NRS 116.31162 Foreclosure of liens: Mailing of notice of delinquent assessment; recording of notice of default and election to sell; period during which unit's owner may pay lien to avoid foreclosure; limitations on type of lien that may be foreclosed.**

1. Except as otherwise provided in subsection 5 or 6, in a condominium, in a planned community, in a cooperative where the owner's interest in a unit is real estate under [NRS 116.1105](#), or in a cooperative where the owner's interest in a unit is personal property under [NRS 116.1105](#) and the declaration provides that a lien may be foreclosed under [NRS 116.31162](#) to [116.31168](#), inclusive, the association may foreclose its lien by sale after all of the following occur:

(a) The association has mailed by certified or registered mail, return receipt requested, to the unit's owner or his or her successor in interest, at his or her address, if known, and at the address of the unit, a notice of delinquent assessment which states the amount of the assessments and other sums which are due in accordance with subsection 1 of [NRS 116.3116](#), a description of the unit against which the lien is imposed and the name of the record owner of the unit.

(b) Not less than 30 days after mailing the notice of delinquent assessment pursuant to paragraph (a), the association or other person conducting the sale has executed and caused to be recorded, with the county recorder of the county in which the common-interest community or any part of it is situated, a notice of default and election to sell the unit to satisfy the lien which must contain the same information as the notice of delinquent assessment and which must also comply with the following:

- (1) Describe the deficiency in payment.
- (2) State the name and address of the person authorized by the association to enforce the lien by sale.
- (3) Contain, in 14-point bold type, the following warning:

**WARNING! IF YOU FAIL TO PAY THE AMOUNT SPECIFIED IN THIS NOTICE, YOU COULD LOSE YOUR HOME, EVEN IF THE AMOUNT IS IN DISPUTE!**

(c) The unit's owner or his or her successor in interest has failed to pay the amount of the lien, including costs, fees and expenses incident to its enforcement, for 90 days following the recording of the notice of default and election to sell.

2. The notice of default and election to sell must be signed by the person designated in the declaration or by the association for that purpose or, if no one is designated, by the president of the association.

**NRS 116.31162 Foreclosure of liens: Mailing of notice of delinquent assessment; recording of notice of default and election to sell; period during which unit's owner may pay lien to avoid foreclosure; limitations on type of lien that may be foreclosed.**

4. An association may not mail to a unit's owner or his or her successor in interest a letter of its intent to mail a notice of delinquent assessment pursuant to paragraph (a) of subsection 1, mail the notice of delinquent assessment or take any other action to collect a past due obligation from a unit's owner or his or her successor in interest unless, not earlier than 60 days after the obligation becomes past due, the association mails to the address on file for the unit's owner:

(a) A schedule of the fees that may be charged if the unit's owner fails to pay the past due obligation;

(b) A proposed repayment plan; and

(c) A notice of the right to contest the past due obligation at a hearing before the executive board and the procedures for requesting such a hearing.

5. The association may not foreclose a lien by sale based on a fine or penalty for a violation of the governing documents of the association unless:

(a) The violation poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community; or

(b) The penalty is imposed for failure to adhere to a schedule required pursuant to [NRS 116.310305](#).

6. The association may not foreclose a lien by sale if:

(a) The unit is owner-occupied housing encumbered by a deed of trust;

(b) The beneficiary under the deed of trust, the successor in interest of the beneficiary or the trustee has recorded a notice of default and election to sell with respect to the unit pursuant to subsection 2 of [NRS 107.080](#); and

(c) The trustee of record has not recorded the certificate provided to the trustee pursuant to subparagraph (1) or (2) of paragraph (d) of subsection 2 of [NRS 107.086](#).

Ê As used in this subsection, "owner-occupied housing" has the meaning ascribed to it in [NRS 107.086](#).

NRS 116.31168 Foreclosure of liens: Requests by interested persons for notice of default and election to sell; right of association to waive default and withdraw notice or proceeding to foreclose.

1. The provisions of [NRS 107.090](#) apply to the foreclosure of an association's lien as if a deed of trust were being foreclosed. The request must identify the lien by stating the names of the unit's owner and the common-interest community.

2. An association may, after recording a notice of default and election to sell, waive the default and withdraw the notice or any proceeding to foreclose.

The association is thereupon restored to its former position and has the same rights as though the notice had not been recorded.

(Added to NRS by [1991, 570](#); A [1993, 2373](#))

## NRS 17.130 Computation of amount of judgment; interest.

1. In all judgments and decrees, rendered by any court of justice, for any debt, damages or costs, and in all executions issued thereon, the amount must be computed, as near as may be, in dollars and cents, rejecting smaller fractions, and no judgment, or other proceedings, may be considered erroneous for that omission.

2. When no rate of interest is provided by contract or otherwise by law, or specified in the judgment, the judgment draws interest from the time of service of the summons and complaint until satisfied, except for any amount representing future damages, which draws interest only from the time of the entry of the judgment until satisfied, at a rate equal to the prime rate at the largest bank in Nevada as ascertained by the Commissioner of Financial Institutions on January 1 or July 1, as the case may be, immediately preceding the date of judgment, plus 2 percent.

The rate must be adjusted accordingly on each January 1 and July 1 thereafter until the judgment is satisfied.

# QUESTIONS?

- ▶ Web Site
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- ▶ Phone
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